

HOUSE No. 4199

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, June 25, 2012.

The committee on Ways and Means, to whom was referred the Bill relative to natural gas leaks (House, No. 4129), reports recommending that the same ought to pass with an amendment substituting therefor the accompanying bill (House, No. 4199).

For the committee,

BRIAN S. DEMPSEY.

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In the Year Two Thousand Twelve

An Act relative to natural gas leaks.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 164 of the General Laws is hereby amended by inserting the following
2 section:-

3 Section 144. (a) There shall be established a uniform natural gas leak classification standard in
4 the commonwealth for all natural gas companies.

5 (b) All reported gas leaks will be assessed a grade based on the following system:

6 (1) Grade 1. A leak that represents an existing or probable hazard to persons or property. Such a
7 leak requires repair and continuous action until the conditions are no longer hazardous.

8 Completion of repairs shall be scheduled immediately, and the condition kept under continuous
9 surveillance until the hazard or source of the leak is eliminated.

10 (2) Grade 2. A leak that is recognized as non-hazardous to persons or property at the time of
11 detection, but justifies scheduled repair based on probable future hazard. Such leaks should be
12 repaired or cleared within one calendar year but no later than fifteen months from the date the

Grade 2 leak was classified. The frequency of reevaluation shall be determined by the location and magnitude of the leakage condition, provided that all Grade 2 leaks are reevaluated at least once every six months until eliminated.

(3) Grade 3. A leak that is recognized as non-hazardous at the time of detection, and can be reasonably expected to remain non-hazardous. Such leaks shall be reevaluated during the next scheduled survey, or within fifteen months of the date last evaluated, whichever occurs first, until the leak is eliminated or main replaced.

(4) Starting March 1, 2014, each gas company shall report annually to the department the location of each Grade 1 and Grade 2 leak existing as of that date classified by the company, the date each Grade 1 and Grade 2 leak was classified, and the date of repair performed on each Grade 1 and Grade 2 leak as part of its service quality standards report required by chapter 164, section 11I. Such gas leak information shall be made available to any municipal or state public safety official upon request to the department.

(c) The department shall promulgate regulations necessary to implement the uniform leak classification standards as specified in this section, and shall continue to oversee and monitor company response and reporting.

(d) The department shall investigate whether the state should require the winter surveillance and patrol of cast iron gas pipelines in the commonwealth, and shall determine whether the presence of extended frost cap conditions may result in additional stress on cast iron pipe segments, requiring enhanced surveillance and patrol. The department is authorized to establish minimum uniform procedures for cast iron winter surveillance and patrols. Gas companies are authorized to establish procedures that exceed any minimum standards at their discretion.

(e) Commencing with calendar year 2013, the department shall establish an infrastructure replacement program to address aging natural gas infrastructure in the interest of public safety and reducing lost and unaccounted for gas. Gas companies shall be authorized to file with the department an annual gas infrastructure replacement project plan, subject to the department's review and approval. A plan shall include, but not be limited to, the replacement of mains, services, meter sets and other appurtenant facilities composed of non-cathodically protected steel, cast-iron and wrought iron, as leak-prone materials. Provided that a gas company files its annual gas infrastructure replacement work plan on or before October 31 of a calendar year, the department shall review the work plan targets within six months, and shall authorize a rate factor becoming effective May 1 of the year following the filing of the work plan to collect any revenue requirement, including depreciation, property taxes and return associated with the approved work plan. The department shall consider the costs and benefits of a plan, including, but not limited to, impacts on ratepayers, reductions of lost or unaccounted for gas and improving public safety in making its final determination, giving priority to plans addressing leak-prone infrastructure most immediately in need of replacement. If such a plan is approved, final project documentation shall be filed with the department within one year of such approval to demonstrate that project costs were reasonably and prudently incurred. The department shall investigate such costs within eight months, and the department shall have the authority to reconcile the authorized rate factor if necessary.